



**CITY OF BATH, MAINE  
\$6,475,000  
2017 GENERAL OBLIGATION BONDS**

SEALED PROPOSALS will be received by the City of Bath, Maine (the “City”) at the office of Moors & Cabot, Inc. (the “Financial Advisor”), 111 Devonshire Street, 2<sup>nd</sup> Floor, Boston, Massachusetts until:

**11:00 O’CLOCK A.M. (E.D.S.T.) TUESDAY, APRIL 11, 2017**

at which time and place all such proposals will be publicly opened and announced for the sale of \$6,475,000 2017 General Obligation Bonds (the “Bonds”) of the City. The Bonds will be payable annually on October 15 of each year as follows:

<u>Amount</u>	<u>October 15,</u>	<u>CUSIP</u>	<u>Amount</u>	<u>October 15,</u>	<u>CUSIP</u>
\$175,000	2017	071059UC1	\$465,000	2025	071059UL1
495,000	2018	071059UD9	465,000	2026	071059UM9
495,000	2019	071059UE7	465,000	2027	071059UN7
495,000	2020	071059UF4	465,000	2028	071059UP2
495,000	2021	071059UG2	465,000	2029	071059UQ0
490,000	2022	071059UH0	150,000	2030	071059UR8
490,000	2023	071059UJ6	150,000	2031	071059US6
465,000	2024	071059UK3			

\$250,000 Bond<sup>(\*)</sup>, due October 15, 2036, CUSIP 071059UT4

This Notice of Sale sets forth only a brief summary of certain provisions of the Bonds. For additional information pertaining to the Bonds, a prospective bidder should refer to the City’s Preliminary Official Statement dated March 27, 2017 with respect to the Bonds (the “Preliminary Official Statement”). In the event of any conflict between the Preliminary Official Statement and this Notice of Sale, the Preliminary Official Statement shall control.

The Bonds will be dated April 27, 2017 and will bear interest (accrued on the basis of a 30 day month/360-day year with twelve 30-day months), payable on October 15, 2017 and semi-annually thereafter on April 15 and October 15 of each year until maturity, or redemption prior to maturity. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. It is expected that the Bonds, in definitive form, will be available for delivery on or about April 27, 2017.

Bonds maturing on or before October 15, 2026 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on and after October 15, 2027, are subject to redemption prior to their stated dates of maturity, at the option of the City, on and after October 15, 2026, as a whole or in part at any time, in such order of maturity as the City, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

NOTE: <sup>(\*)</sup>Bonds maturing October 15, 2036 are subject to mandatory redemption, as more fully set forth herein.

Bonds maturing October 15, 2036 are subject to mandatory redemption by the City prior to maturity, in part by lot, at a redemption price equal to the amounts set forth below plus accrued interest to the date of redemption thereof, on October 15 in the following years and principal amounts:

<u>Year</u>	<u>Principal Amount</u>
2032	\$50,000
2033	50,000
2034	50,000
2035	50,000
2036 <sup>(#)</sup>	50,000

---

NOTE: <sup>(#)</sup> Year of final maturity.

The Bonds will be issued by means of The Depository Trust Company's Book-Entry-Only System with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to The Depository Trust Company, New York City, New York ("DTC") and immobilized in their custody. The Book-Entry Only System will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures established by DTC and its Participants. The winning bidder (the "original purchaser"), as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners will be the responsibility of such Participants and other nominees of Beneficial Owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

The original Bond certificates to be immobilized at DTC will be prepared under the supervision of and authenticated by U.S. Bank National Association, Boston, Massachusetts, Paying Agent, and their legality approved by Pierce Atwood LLP of, Portland, Maine, bond counsel to the City ("Bond Counsel,"), whose opinion will be furnished to the original purchaser without charge. The form of such opinion is set forth in the Preliminary Official Statement.

The legal opinion of Bond Counsel will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the City and, unless paid from other sources are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, are met, in which case such ad valorem taxes may then be levied, without limit as to rate or amount upon all the property within the territorial limits of the City and taxable by it, except to the extent that the City may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality and except to the extent that the City establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapters 206 and former 207 (now repealed) of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. The Treasurer has certified that the City has no agreements under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share assessed valuation with another municipality. The City has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the development projects described in the development programs adopted with respect to the districts. Within the limits established by statute, the City has the

right to designate additional development districts pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The opinion will indicate that the enforceability of the obligations of the City, including the Bonds, is subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

**The City will designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.**

There is no litigation, threatened or pending, affecting the validity of the Bonds, the corporate existence or the boundaries of the City, or the title of the present officers to their respective offices, and the purchaser or purchasers will be furnished with a certificate to this effect.

Bids must specify the amount bid for the Bonds, not less than all of the par value of the issue and:

- Must state in a multiple of one-eighth (1/8) or one twentieth (1/20) of one percentum (1%) the rate or rates of interest per annum which the several maturities of the Bonds are to bear;
- No rate of interest for a single maturity of the Bonds may exceed the rate of interest for any other maturity of the Bonds by more than 4% per annum;
- All Bonds maturing in any one year must carry the same interest rate and each interest period shall be represented by one interest rate. Bids which include split or supplemental interest rates will not be considered;
- **Minimum Bid:** Only bids at or greater than 100.949807% of the issue amount (or  $\geq$  \$61,500.00 bid premium) will be accepted;
- **Application of Bid Premium:** Bid premium, if any, may be used to apply funds pay for costs of issuance, interest or, if to the projects, may reduce the annual amount(s) of Bonds issued to finance the projects;
- Should the City apply bid premium to reduce the amount of Bonds issued, the City will apply the same percentage amount of underwriters spread per thousand to the reduced issue amount;
- Whereas *PARITY*<sup>®</sup> is apparently unable to calculate bids which include split or supplemental interest rates for a single maturity the City expects that Bonds maturing in any one year will carry the same interest rate and each interest period shall be represented by one interest rate. However, there is no prohibition against split or supplemental interest rates for a single maturity;
- The original purchaser must also pay an amount equal to the interest on the Bonds accrued to the April 27, 2017 date of delivery, if any;
- A “Good Faith” deposit is not required.

As between proposals which comply with this Notice, the Bonds will be sold to the bidder whose proposal offers to purchase all of the Bonds at the lowest True Interest Cost (“TIC”), that is, the annual interest rate, compounded semiannually, which when used to discount all payments of principal and interest payable on the Bonds **to the March 15, 2017 delivery date** results in an amount equal to the purchase price for the Bonds including accrued interest to the date of delivery and any premium bid thereon. The TIC should be computed to four decimal places. Bids must be submitted:

- (a) In a sealed envelope marked "Proposal for Bonds" and addressed to the City of Bath, Maine, c/o Moors & Cabot, Inc. – Banking & Advisory Group, 111 Devonshire Street, Boston, MA 02109-5483;
- (b) Although telephone bids will not be accepted by the City, the Financial Advisor will prepare sealed bids as agent for the bidder, per telephone instructions received at (617) 314-0258 *prior to sale time on Tuesday, April 11, 2017*. The Financial Advisor shall not be responsible for any errors or omissions in connection with bids submitted as agent on behalf of any bidder. The Financial Advisor may be contacted as follows:

Joseph P. Cuetara, Senior Vice President  
Moors & Cabot, Inc. – Banking & Advisory Group  
111 Devonshire Street  
Boston, MA 02109-5483  
[jcuetara@moorscabot.com](mailto:jcuetara@moorscabot.com)
- (c) Via FACSIMILE copy to the Financial Advisor at (617) 451-0288 *received not later than sale time on Tuesday, April 11, 2017*; or
- (d) Electronically via i-Deal<sup>SM</sup> *PARITY*<sup>®</sup> in accordance with this Notice of Sale, until 11:00 A.M. (E.D.S.T.), but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*<sup>®</sup> conflict with this Notice of Sale, the terms of this Notice of Sale shall control. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with *PARITY*<sup>®</sup>, that the City neither endorses nor encourages the use of *PARITY*<sup>®</sup>, and that *PARITY*<sup>®</sup> is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained directly from *PARITY*<sup>®</sup>. For further information about *PARITY*<sup>®</sup>, potential bidders should contact Dalcomp at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

The City assumes no responsibility for ensuring or verifying bidder compliance with *PARITY*<sup>®</sup> procedures. The City shall be entitled to assume that any bid received via *PARITY*<sup>®</sup> has been made by a duly authorized agent of the bidder. The City, the Financial Advisor and Bond Counsel assume no responsibility for any malfunction of the *PARITY*<sup>®</sup> system, any failure of a bid to be received at the official time, or any error contained in any bid submitted electronically. The official time for receipt of bids will be determined by the City at the place of bid opening, and the City shall not be required to accept the time kept by *PARITY*<sup>®</sup> as the official time. In the event of a malfunction of the *PARITY*<sup>®</sup> system, bidders should submit their bids as discussed in the above (a), (b) or (c) manner on the OFFICIAL BID LETTER attached hereto.

The City reserves the right to reject any or all proposals and to accept or reject any proposal not complying with this Notice of Sale, and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal. A final decision as to the award of the bid rests with and is subject to confirmation by the Treasurer of the City. When the successful bidder has been ascertained, the City will notify such bidder.

The City has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefore, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder and any increased costs of issuance or delivery of the Bonds resulting by reason of such insurance shall be paid by such bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment and any failure of the Bonds to be insured or of any such policy or commitment to be issued shall not in any way relieve the original purchaser of their contractual obligations arising from the acceptance of their proposal for the purchase of the Bonds.

The Financial Advisor intends to provide the original purchaser of the issue with CUSIP identification numbers as is discussed in the Preliminary Official Statement, in compliance with MSRB Rule G-34, (a)(i) (A)-(H). As is further discussed in Rule G-34 the original purchaser, as the “dealer who acquires” the issue, is responsible for the registration fee to the CUSIP Bureau for this service. It is anticipated that CUSIP identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City, provided, however, that the City assumes no responsibility for any CUSIP Service Bureau charge or other charges that may be imposed for the assignment of such numbers.

Additional information concerning the City of Bath, Maine and the Bonds is contained in the Preliminary Official Statement dated March 27, 2017 which has been distributed and to which prospective bidders are directed. Such Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. A copy of the City’s Preliminary Official Statement dated March 27, 2017 may be obtained by contacting: Moors & Cabot, Inc. – Banking & Advisory Group, 111 Devonshire Street, Boston, MA 02109-5483; or by telephone at (617) 314-0258.

**The Preliminary Official Statement is in a form “deemed final” by the City for purposes of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment and completion in a final Official Statement.**

The City agrees to advise the original purchaser, by written notice, of any developments that impact the accuracy and completeness of the key representations (within the meaning of SEC Rule 15c2-12) contained in the final Official Statement, which may occur during the period commencing on the date of the acceptance by the City of its proposal and ending on the 90th day next following such date of acceptance, unless such final Official Statement is available from the Municipal Securities Rulemaking Board, in which event such period shall end on the 25th day.

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will undertake to provide annual reports and notices of certain material events. A description of this undertaking is set forth in the Preliminary Official Statement.

The original purchaser will be furnished copies of the final Official Statement prepared for this issue at the City’s expense within seven (7) business days, after the date of the award of the Bonds. Additional copies may be obtained by the original purchaser at its own expense by arrangement with the printer. We will rely upon the original purchaser to file with DTC’s Web Underwriting Service (WUN); file with a completed DTC Eligibility Questionnaire and the MSRB pursuant to its Rule G-32; and to effect the electronic filing of the final Official Statement to <http://emma.msrb.org/submission> as the original purchaser’s responsibility. U.S. Bank National Association, as Paying Agent, will keep the original opinion and certificates and copies of the supporting documents which may be examined at its office in Boston, Massachusetts, upon reasonable notice.

As of the date of delivery of the Bonds and as a condition precedent to the delivery of the Bonds by the City, the successful bidder shall furnish to the City a certificate acceptable to Bond Counsel which certificate shall set forth:

- (i) The issue the prices at which the successful bidder sold *or reasonably expected to sell* on April 11, 2017 (the “Sale Date”), the date of sale of the Bonds, at least ten percent (10%) of each maturity of the Bonds to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers);

- (ii) The weighted average maturity of the Bonds as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(d);
- (iii) the yield of the Bonds (sometimes referred to as the arbitrage yield) as defined in the Internal Revenue Service's "Instructions for Form 8038-G" for Line 21(e);
- (iv) That (a) each maturity of the Bonds has been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at the issue price indicated for such maturity, (b) the successful bidder had no reason to believe that any maturity of the Bonds would be sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than the price, or yields less than the yield, indicated for such maturity. In the event that the Bonds shall be held by the successful bidder for investment and not to be offered for resale to the public, the successful bidder shall specify in such certificate the purchase price being paid by the successful bidder to the City for each such maturity;
- (v) . That the aggregate issue price does not exceed the fair market value of the Bonds as of such date of sale. The certificate shall state that it is made on the best knowledge, information and belief of the successful bidder after appropriate investigation.
- (vi) If a municipal bond insurance policy or similar credit enhancement is obtained with respect to the Bonds by the successful bidder, such bidder will also be required to certify as to the net present value savings on the Bonds resulting from payment of insurance premiums or other credit enhancement fees.

By submitting a bid for the Bonds, a prospective bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Bonds.

The City reserves the right to make changes to the Notice of Sale and also reserves the right, to postpone, from time to time, the date and time established for receipt of bids. ANY SUCH POSTPONEMENT WILL BE ANNOUNCED NOT LATER THAN 1:00 P.M. ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS. If any date and time fixed for the receipt of bids and the sale of the Bonds is postponed, an alternative date and time will be announced at least 48 hours prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit a bid for the purchase of the Bonds in conformity in all respects with the provisions of the Notice of Sale, except for the date and time of the sale and except for any changes announced at the time the alternative sale date and time are announced.

Moors & Cabot, Inc. has acted as Financial Advisor to the City with respect to the issuance of the Bonds pursuant to Municipal Securities Rulemaking Board Rule G-23. Moors & Cabot, Inc. does not intend to submit a bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

It is expected that the Bonds, in definitive form, will be available for delivery on or about April 27, 2017, against payment of the purchase price in Federal Reserve funds payable to the order of the "City of Bath, Maine", and will be delivered to The Depository Trust Company, New York City, New York.

CITY OF BATH, MAINE

March 27, 2017

By: Juli M. Millett, Treasurer

**OFFICIAL BID LETTER**  
**CITY OF BATH, MAINE**  
**\$6,475,000**  
**2017 GENERAL OBLIGATION BONDS**

*Sale Date: April 11, 2017*

Juli M. Millett, Treasurer  
City of Bath  
c/o Moors & Cabot, Inc.  
Banking & Advisory Group  
111 Devonshire Street  
Boston, MA 02109-5483

Dear Ms. Millett:

In accordance with the provisions of the Notice of Sale dated March 27, 2017, which Notice is hereby made a part of this proposal, we offer to purchase \$6,475,000 2017 General Obligation Bonds of the City of Bath, Maine, at par and accrued interest, if any, to date of delivery plus a premium of \$ \_\_\_\_\_<sup>(1)</sup>, which represents a TIC of \_\_\_\_\_%, and bearing interest at the following rate per annum and maturing in each of the following years and principal amounts:

<u>Oct, 15,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>		<u>Oct, 15,</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
2017	\$175,000	%		2025	\$465,000	%
2018	495,000	%		2026	465,000	%
2019	495,000	%		2027	465,000	%
2020	495,000	%		2028	465,000	%
2021	495,000	%		2029	465,000	%
2022	490,000	%		2030	150,000	%
2023	490,000	%		2031	150,000	%
2024	465,000	%				
				2036	250,000 <sup>(*)</sup>	%

NOTE: <sup>(1)</sup> Only bids at or greater than 100.949807% of the issue amount (or  $\geq$  \$61,500.00 bid premium) will be accepted.

<sup>(\*)</sup> Bonds maturing October 15, 2036 are subject to mandatory redemption, as more fully set forth in the NOTE: <sup>(\*)</sup> Bonds maturing October 15, 2036 are subject to mandatory redemption, as more fully set forth in the Preliminary Official Statement under "THE BONDS - MANDATORY REDEMPTION".

The undersigned hereby acknowledges receipt of the Preliminary Official Statement dated March 27, 2017, referred to in the Notice of Sale dated March 27, 2017, and the terms thereof are expressly made a part of this bid.

**SUMMARY**

Summary made as requested in the Notice of Sale  
from delivery date of April 27, 2017:

Total Interest Expense	\$
(Less Premium)	(\$ )
Net Total Interest Expense	\$
True Interest Rate (TIC)	%

Respectfully submitted,

\_\_\_\_\_  
(Company) (DTC #)

\_\_\_\_\_  
(By)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
( )

\_\_\_\_\_  
(Telephone)

**Moors & Cabot, Inc. of Boston, Massachusetts will assist in the submitting of bids on this issue. Please mail your signed bid form in advance and telephone or send via facsimile final figures before the sale time. Telephone: (617) 314-0258; Facsimile: (617) 451-0288.**

